

Assembly Bill No. 526

Passed the Assembly August 19, 2013

Chief Clerk of the Assembly

Passed the Senate August 15, 2013

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 800, 803, and 811 of, and to repeal Section 809 of, the Military and Veterans Code, relating to military service.

LEGISLATIVE COUNSEL'S DIGEST

AB 526, Melendez. Military service: benefits.

Existing law authorizes, to the extent permitted by federal law, members of the United States Military Reserve and National Guard who are called to active duty as a result of the Iraq or Afghanistan conflicts, to defer payments on mortgages, credit cards, retail installment accounts and contracts, real property taxes and assessments, and vehicle leases for the period of active duty, plus 60 calendar days, or 180 days, whichever is the lesser, as specified. Existing law also requires any entity that was providing any type of health care coverage to a member of the United States Military Reserve or National Guard who is called to active duty as a result of the Iraq or Afghanistan conflicts to reinstate the health care coverage without waiting periods or exclusion of coverage for preexisting conditions, and makes a violation of this requirement subject to enforcement under the Knox-Keene Health Care Service Plan Act of 1975, a willful violation of which is a crime. Existing law also provides that a spouse or legal dependent, or both, of a member is entitled to the benefits accorded to a member, if the member is eligible for those benefits.

This bill would extend those deferral provisions and reinstatement of health care coverage provisions to a reservist, as defined, who is called to active duty on and after January 1, 2014, and to a spouse or legal dependent, as specified. This bill would also authorize the deferral of payments on any obligations owed to a utility company. The bill would limit the deferment period on financial obligations to not more than 180 days within a 365-day period. This bill would also require a copy of the activation or deployment orders and any other information that substantiates the duration of the service member's military service to be delivered to an obligor in order for an obligation of a reservist to be deferred, as provided.

This bill would expand the scope of an existing crime by requiring a reservist to provide information under the penalty of perjury, and by making violations of the reinstatement of health care coverage for reservists requirement subject to enforcement under the Knox-Keene Health Care Service Plan Act of 1975, thereby imposing a state-mandated local program. This bill would additionally impose a state-mandated local program by imposing new duties upon local tax officials with respect to the deferral of any payment of property tax or any special assessment.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. Section 800 of the Military and Veterans Code is amended to read:

800. (a) (1) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, any member of the United States Military Reserve or the National Guard of this state who is called to active duty after the enactment of this chapter and before January 1, 2014, as a part of the Iraq and Afghanistan conflicts may defer payments on any of the following obligations while serving on active duty:

- (A) An obligation secured by a mortgage or deed of trust.
- (B) Credit card as defined in Section 1747.02 of the Civil Code.
- (C) Retail installment contract as defined in Section 1802.6 of the Civil Code.
- (D) Retail installment account, installment account, or revolving account as defined in Section 1802.7 of the Civil Code.

(E) Up to two vehicle loans. For purposes of this chapter, “vehicle” means a vehicle as defined in Section 670 of the Vehicle Code.

(F) Any payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist’s primary place of residence on the date the reservist was ordered to active duty.

(2) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, a reservist who is called to active duty on and after January 1, 2014, may defer payments on any of the following obligations while serving on active duty:

(A) An obligation secured by a mortgage or deed of trust.

(B) Credit card as defined in Section 1747.02 of the Civil Code.

(C) Retail installment contract as defined in Section 1802.6 of the Civil Code.

(D) Retail installment account, installment account, or revolving account as defined in Section 1802.7 of the Civil Code.

(E) Up to two vehicle loans. For purposes of this chapter, “vehicle” means a vehicle as defined in Section 670 of the Vehicle Code.

(F) Any payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist’s primary place of residence on the date the reservist was ordered to active duty.

(G) Any obligation owed to a utility company.

(b) (1) In order for an obligation or liability of a reservist to be subject to the provisions of this chapter, the reservist or the reservist’s designee shall deliver to the obligor both of the following:

(A) A letter signed by the reservist, under penalty of perjury, requesting a deferment of financial obligations.

(B) A copy of the reservist’s activation or deployment order and any other information that substantiates the duration of the service member’s military service.

(2) If required by a financial institution, proof that the reservist’s employer does not provide continuing income to the reservist while the reservist is on active military duty, including the reservist’s

military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(c) Upon request of the reservist or the reservist's dependent or designee and within five working days of that request, if applicable, the employer of a reservist shall furnish the letter or other comparable evidence showing that the employer's compensation policy does not provide continuing income to the reservist, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(d) The deferral period on financial obligations shall be the lesser of 180 days or the period of active duty plus 60 calendar days and shall apply only to those payments due subsequent to the notice provided to a lender as provided in subdivision (b). In addition, the total period of the deferment shall not exceed 180 days within a 365-day period.

(e) If a lender defers payments on a closed end credit obligation or an open-end credit obligation with a maturity date, pursuant to this chapter, the lender shall extend the term of the obligation by the amount of months the obligation was deferred.

(f) If a lender defers payments on an open-end credit obligation pursuant to this chapter, the lender may restrict the availability of additional credit with respect to that obligation during the term of the deferral.

SEC. 2. Section 803 of the Military and Veterans Code is amended to read:

803. (a) Before January 1, 2014, for purposes of this chapter, "reservist" means a member of the United States Military Reserve or National Guard of this state called to active duty as a result of the Iraq conflict pursuant to the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107-243) or the Afghanistan conflict pursuant to Presidential Order No. 13239.

(b) On and after January 1, 2014, for purposes of this chapter:

(1) "Reservist" means either of the following:

(A) A member of the militia, as defined in Section 120, called or ordered into state military service pursuant to Section 143 or Section 146, or in federal or state military service pursuant to Title 10 or Title 32 of the United States Code.

(B) A reservist of the United States Military Reserve who has been ordered to full-time federal active duty by the President of the United States pursuant to Title 10 of the United States Code.

(2) “Military service” means either of the following:

(A) Full-time active state service or full-time active federal service of a service member who is a member of the militia, as described in subparagraph (A) of paragraph (1).

(B) Full-time active duty of a service member who is a reservist, as described in subparagraph (B) of paragraph (1), for a period of 30 consecutive days.

SEC. 3. Section 809 of the Military and Veterans Code is repealed.

SEC. 4. Section 811 of the Military and Veterans Code is amended to read:

811. (a) The spouse or legal dependent, or both, of a reservist who is called to active duty, shall be entitled to the benefits accorded to a reservist under this chapter, provided that the reservist is eligible for the benefits.

(b) This chapter applies only to an obligation specified in this chapter that was incurred prior to the date that a reservist was called to active duty.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Approved _____, 2013

Governor